

ALABAMA MAYORS LEADING FOR YOUNG CHILDREN

MEETING 3 ISSUE BRIEF | 2021

OPPORTUNITIES TO LEAD





In partnership with The Hunt Institute, the Alabama Department of Early Childhood Education and the Alabama League of Municipalities invited all Alabama Mayors to participate in *Alabama Mayors Leading for Young Children*, a series of virtual convenings focused on mayoral leadership in early childhood education. The third meeting will involve participating mayors in contemplating actions they can take to improve the lives of young children and families in their communities.

With a growing body of research demonstrating the long-lasting, positive effects produced by high-quality early childhood and prekindergarten programs, states and local municipalities have increased funding for these opportunities in recent years. Research suggests that this is smart public policy, with one recent study finding that the United States will see a *net benefit* of at least \$83.3 billion in reduced grade-level retention, special education, and other positive outcomes for each cohort of four-year-old children attending preschool.

The mechanisms through which states fund pre-K programs, however, vary widely. And as the National Institute for Early Education Research (NIEER) *notes*, strong funding does not always equate to opportunity for all. Many local communities are subsidizing state and federal funding to support early childhood programs.



LOCAL FINANCING

There is a relatively limited set of funding streams available to local communities seeking to identify funding for early childhood programs. Because early childhood needs and priorities are community specific, and communities' abilities to raise funding depend on a wide array of factors, each local community must determine which options are most appropriate. Regardless of local financing capacity, children in all communities deserve high-quality early childhood experiences.

Local fees and special taxes, as well as a growing interest in local leadership for early childhood, are examples of efforts that are used to finance early childhood education. Local taxes are frequently property, sales, water, sewer, school, and occasionally income taxes. Funds generated in this way cover some community services, such as local education, and have been used for early childhood.

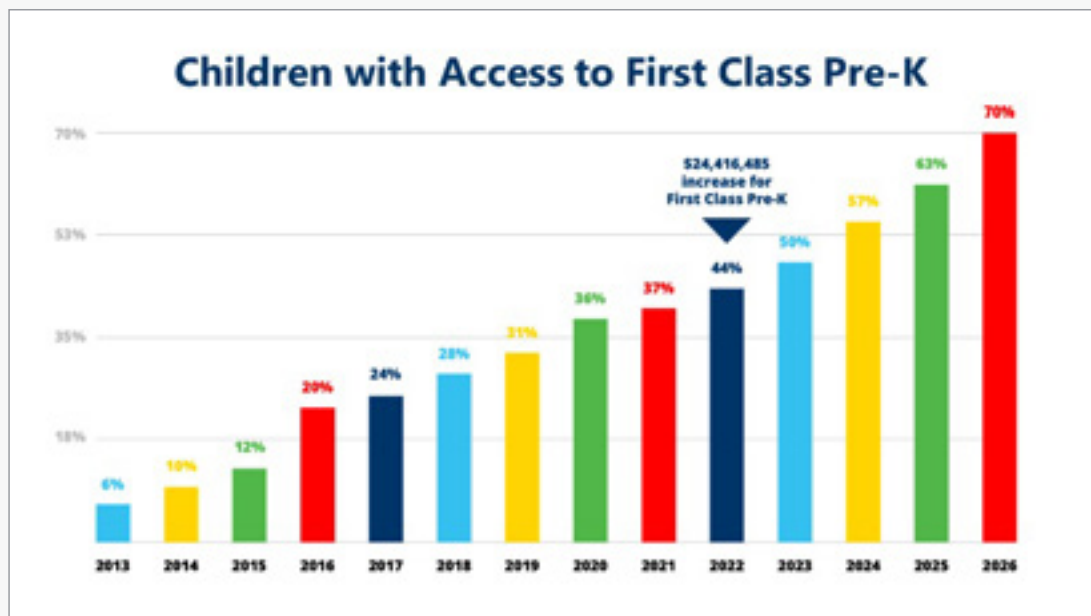


ALABAMA FIRST CLASS PRE-K

Alabama's voluntary First Class Pre-K (FCPK) program is recognized throughout the nation as a model of excellence, and is one of only five state programs (alongside those in Hawaii, Michigan, Mississippi, and Rhode Island) that meet all 10 quality benchmarks set by the [National Institute for Early Education Research \(NIEER\)](#) at Rutgers University – a distinction the program has enjoyed for each of the past 14 years. The program served 20,439 Alabama four-year-old children during the 2019-2020 school year. This figure, an increase of 3,219 children from the prior school year, represents service to approximately 37 percent of all Alabama four-year-old children, qualifying the state for a ranking of 17th best in the nation in terms of program access. During the 2019-2020 school year, FCPK's state funding totaled \$122,798,645. The grant program, administered by ADECE's Office of School Readiness, funds full-day preschool classrooms in every Alabama county using a model that allows for service delivery in both public (school district) and private sector (child care, Head Start, community- and faith-based organizations, military agencies) classrooms. Recently, Alabama's Governor, Kay Ivey, announced a budget increase of \$24,416,485 for the Office of School Readiness/Pre-K, increasing access to 44 percent of Alabama's four-year-old children by serving an additional 3,000 children in 160 classrooms, moving Alabama closer to its goal of serving 70 percent of four-year-old children by 2026.

Program funding is distributed via the Alabama Education Trust Fund Budget in the form of competitive grants at three levels for pre-K programs: (1) Pre-K Excellence Grants (up to \$46,800) are awarded on a three-year cycle to help programs meet quality standards (teacher pay, professional development, classroom environment, etc.) and are not intended as the primary source of funding; (2) Pre-K Tiered Grants (\$83,304 to \$96,408 per grant) are awarded on a three-year cycle to classrooms serving a designated share of the free and reduced-price lunch eligible child population and are primary sources of pre-K funding; (3) New Classroom or Plus Grants (up to \$120,000 per grant) cover costs of materials, equipment, furnishings, and general operating expenses in new classrooms for one year. Grantees must provide at least a 25 percent match to the awards locally, which can include sliding-scale fee revenue. The [first round](#) of new classrooms have been chosen with 135 classrooms set to open in the fall.

Local municipalities have the opportunity to help Alabama meet its 70 percent access goal through a variety of funding mechanisms. Increasingly, local governments are creating universal pre-K programs at the district, city, or county level. City preschool measures are usually funded through a dedicated funding stream. For example, [Denver](#) and [San Antonio](#) have expanded access to pre-K through sales tax revenues. [Seattle](#) does so through a property tax, while [Philadelphia](#) uses a tax on sodas. Other programs, such as the [Virginia Preschool Initiative](#) and [Iowa's Statewide Voluntary Preschool Program](#), require local governments or providers to provide matching funding. This shared responsibility model increases coordination and stakeholder investment.



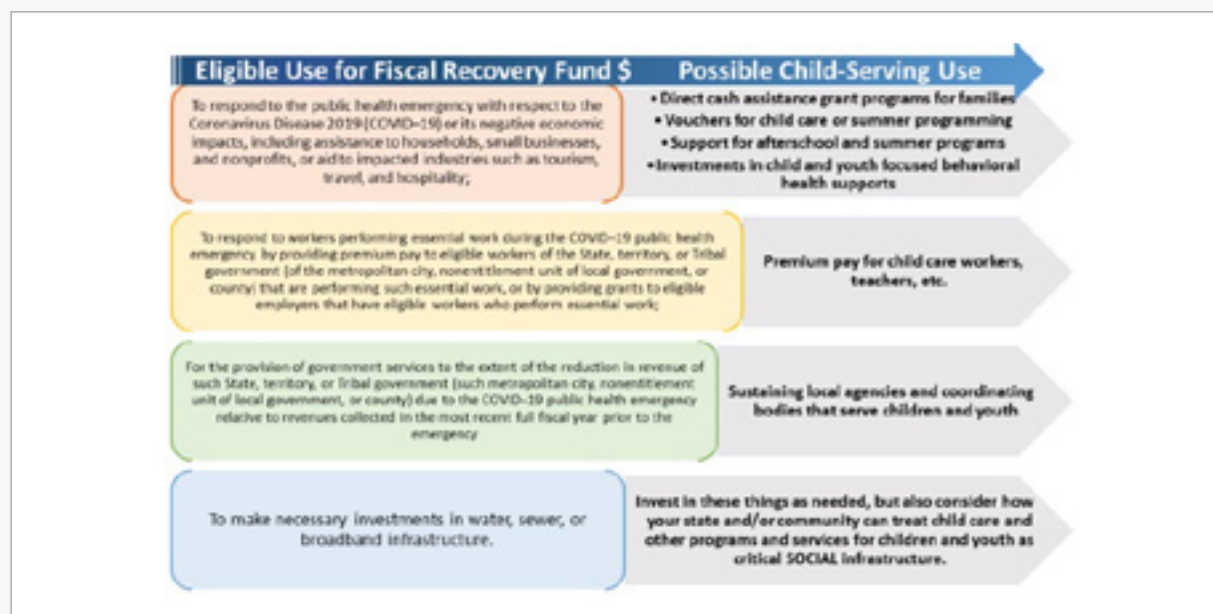


ALABAMA QUALITY RATING IMPROVEMENT SYSTEM

A Quality Rating and Improvement System (QRIS) is a national systemic approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. QRIS awards quality ratings to programs that meet a defined set of program standards embarking on a path of continuous quality improvement. Child care centers and homes participating in a state's QRIS have met a level of quality beyond the minimum requirements to operate. Alabama's QRIS, Alabama Quality STARS, is a one to five star system. A program's STAR rating represents its level of quality in staff qualifications and professional development, management and administrative practices, learning environment and curriculum, as well as family involvement and community partnerships. While the Alabama Department of Human Resources licenses and monitors child care centers and homes for compliance with minimum standards, the ADECE oversees Alabama Quality Stars. In the last 18 years, Alabama has seen a steady decline in the number of licensed child care centers, from 4,269 in 2000 to 1,698 in 2019, representing a 60 percent decrease in licensed child care programs. There are an additional 816 license-exempt programs for a total of 2,514 child care centers in Alabama.

LOCAL CORONAVIRUS RELIEF FUNDING (CRF)

The American Rescue Plan (ARP) established a Coronavirus State Fiscal Recovery Fund (\$219.8 billion) and a Coronavirus Local Fiscal Recovery Fund (\$130.2 billion split between metropolitan cities, counties, and non-entitlement units of government) for a total federal investment of \$350 billion in state and local governments. With guidance recently released, local communities are still exploring how funds can be used. ARP's direct relief funds are flexible in that states, counties, cities, and non-entitlement units of government can use the money to cover budget shortfalls resulting from the pandemic. Based on these flexibilities, funds may be used to provide vouchers for child care or summer programs, investments in mental health supports for families and children, as well as direct cash assistance programs for families. Funds may also be used to build child care infrastructure by providing start-up grants to child care programs increasing access to high quality child care. For example, city leaders in Seattle, Washington are thinking about providing financial assistance to family child care providers and child care centers through 2021 as well as providing resources to support the construction of new child care centers or assist with capital improvements to existing child care centers. In addition, local municipalities can provide matching funds for state First Class Pre-K grants, help with startup costs for organizations seeking to establish First Class Pre-K classrooms, and to help child care programs and other preschool providers make quality improvements so that they can become First Class Pre-K providers.





ALABAMA SCHOOL READINESS ALLIANCE

The Alabama School Readiness Alliance (ASRA) is a statewide, nonprofit coalition advocating for the expansion of high-quality, voluntary pre-K. ASRA was formed in 2006 as a joint campaign of [A+ Education Partnership](#), [Alabama Giving](#), [Alabama Partnership for Children](#), and [VOICES for Alabama's Children](#). ASRA's mission is to close student achievement gaps by ensuring that all children enter school ready to learn. ASRA recently launched a [Roadmap for Fully Funding Alabama's First Class Pre-K Program: A Toolkit for Leaders](#) highlighting county profiles providing local First Class Pre-K data. With the toolkit, ASRA held a webinar, [American Rescue Plan Funding to Accelerate Early Learning](#), sharing details about funding opportunities created by the American Rescue Plan Act of 2021.

OPPORTUNITIES FOR LOCAL MUNICIPALITIES

- Review local data related to access to high quality child care, home visiting, and First Class Pre-K.
 - [Alabama Alliance for School Readiness County Roadmap](#)
 - [The Hunt Institute Alabama Early Childhood Landscape](#)
 - [Alabama Preschool Development Grant Needs Assessment Report](#)
 - [Zero to Three State of Babies Yearbook 2020: Alabama](#)
 - [2020 Alabama Kids Count Data Book](#)
 - [NIEER State of Preschool Yearbook](#)
 - [STAR Rated Programs](#)
 - Partner with [Alabama School Readiness Alliance](#) to explore opportunities in local communities and coordinate resources for more equitable outcomes.
 - Develop action steps and create a strategic financing plan.
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RESOURCES

[Early Childhood Finance Toolkit: A Curated Resource to Support State Leaders in a Mixed Delivery System](#)

[Children's Funding Project: The Cradle to Career Guide to Federal Relief Funding for Kids During and Beyond COVID-19](#)

[North Carolina Early Childhood Foundation Local Financing Toolkit](#)

[Virginia Early Childhood Integrated Financing Toolkit](#)

[Funding Our Future: Generating State and Local Tax Revenue for Quality Early Care and Education](#)

[Early Childhood Finance Toolkit: A Curated Resource to Support State Leaders in a Mixed Delivery System](#)